



INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-588]

Foreign Trade Zones (FTZs): Effects of FTZ Policies and Practices on U.S. Firms

Operating in U.S. FTZs and Under Similar Programs in Canada and Mexico

AGENCY: United States International Trade Commission.

ACTION: Notice of Investigation and Scheduling of Public Hearing.

SUMMARY: Following receipt on December 14, 2021 of a request from the U.S. Trade Representative (USTR), under section 332(g) of the Tariff Act of 1930, the U.S. International Trade Commission (Commission) instituted Investigation No. 332-588, *Foreign Trade Zones (FTZs): Effects of FTZ Policies and Practices on U.S. Firms Operating in U.S. FTZs and Under Similar Programs in Canada and Mexico*, for the purpose of preparing a report that provides an overview of economic activity in FTZs operating in the United States, Canada, and Mexico since 2016, an overview of current FTZ policies and practices in the United States, Canada, and Mexico, and an analysis of the effects of current FTZ policies and practices in the United States, Canada, and Mexico on the cost-competitiveness of products of firms operating in these FTZs.

DATES:

May 3, 2022: Deadline for filing requests to appear at the public hearing.

May 5, 2022: Deadline for filing prehearing briefs and statements.

May 10, 2022: Deadline for filing electronic copies of oral hearing statements.

May 17, 2022: Public hearing.

May 24, 2022: Deadline for filing posthearing briefs and statements.

November 30, 2022: Deadline for filing all other written submissions.

April 14, 2023: Transmittal of Commission report to USTR.

ADDRESSES: All Commission offices are in the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. Due to the COVID 19 pandemic, the Commission's building is currently closed to the public. Once the building reopens, persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

FOR FURTHER INFORMATION CONTACT: Project Leader Fernando Gracia (202-205-2747 or Fernando.Gracia@usitc.gov), co-Deputy Project Leader Ann Marie Carton (202-205-2781 or Annmarie.Carton@usitc.gov), or co-Deputy Project Leader Lin Jones (202-205-3246 or Lin.Jones@usitc.gov), for information specific to this investigation. For information on the legal aspects of this investigation, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Jennifer Andberg, Office of External Relations (202-205-3404 or publicaffairs@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its website (<https://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. General information concerning the Commission may be obtained by accessing its internet address (<https://www.usitc.gov>).

SUPPLEMENTARY INFORMATION:

BACKGROUND: As requested in the letter received from the USTR on December 14, 2021, the Commission has instituted an investigation under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) on the economic activity in FTZs, current FTZ policies and practices, and the effects of those policies and practices, in the United States, Canada, and Mexico, on the cost-

competitiveness of products of firms operating in these FTZs. For the purposes of this investigation, the term FTZs includes U.S. FTZs and similar programs in Canada and Mexico.

Specifically, the USTR requested that the Commission provide a report that includes the following:

- An overview of economic activity in FTZs operating in the United States, Canada, and Mexico since 2016. The overview should include to the extent practicable:
 - o Data on the number of firms operating in FTZs.
 - o Data on FTZ employment.
 - o A list of the leading sectors/industries participating in FTZs.
 - o Data on shipments into FTZs and exports from FTZs.
 - o Data on foreign direct investment in FTZs.
- An overview of the current FTZ policies and practices in the United States, Canada, and Mexico. To the extent information is available, describe:
 - o FTZ tariff treatment.
 - o Other relevant policies and practices that affect the cost-competitiveness of products of U.S. firms operating in FTZs.
- To the extent practicable, an analysis of the effects of current FTZ policies and practices in the United States, Canada, and Mexico on the cost-competitiveness of products of firms operating in these FTZs. The analysis should include:
 - o A description of these effects of these policies and practices on the relative production costs of U.S. firms operating in FTZs in the United States, Canada, and Mexico.
 - o A description of the effects on U.S. employment.

- o A description of the effects on selected U.S. sectors/industries operating in FTZs in the United States, Canada, and Mexico, including through the use of case studies as appropriate.
- o A review of recent literature on the effects of FTZs on U.S. firm competitiveness and production.

As part of its investigation, the Commission intends to conduct a survey, and will post the survey on its website at a later date.

As requested by the USTR, the Commission will deliver the report on April 14, 2023. Since the USTR has indicated that USTR intends to make this report available to the public in its entirety, the Commission will not include confidential business or national security classified information in its report.

PUBLIC HEARING: A public hearing in connection with this investigation will be held beginning at 9:30 a.m. on May 17, 2022. More detailed information about the hearing, including how to participate, will be posted on the Commission's website at (https://usitc.gov/research_and_analysis/what_we_are_working_on.htm).

Requests to appear at the hearing should be filed no later than 5:15 p.m. on May 3, 2022, in accordance with the requirements in the “Written Submissions” section below. All prehearing briefs and statements should be filed not later than 5:15 p.m., May 5, 2022. To facilitate the hearing, including the preparation of an accurate written transcript of the hearing, oral testimony to be presented at the hearing must be submitted to the Commission electronically no later than noon, May 10, 2022. All posthearing briefs and statements should be filed no later than 5:15 p.m., May 24, 2022. Posthearing briefs and statements should address matters raised at the hearing. For a description of the different types of written briefs and statements, see the “Definitions” section below.

In the event that, as of the close of business on May 3, 2022, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant should check the Commission website in the preceding paragraph for information concerning whether the hearing will be held.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary, and should be received not later than the dates provided for in this notice. All written submissions must conform to the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8), as temporarily amended by 85 FR 15798 (March 19, 2020). Under that rule waiver, the Office of the Secretary will accept only electronic filings at this time. Filings must be made through the Commission's Electronic Document Information System (EDIS, <https://edis.usitc.gov>). No in-person paper-based filings or paper copies of any electronic filings will be accepted until further notice. Persons with questions regarding electronic filing should contact the Office of the Secretary, Docket Services Division (202-205-1802), or consult the Commission's Handbook on Filing Procedures.

DEFINITIONS OF TYPES OF DOCUMENTS THAT MAY BE FILED; REQUIREMENTS:

In addition to requests to appear at the hearing, this notice provides for the possible filing of four types of documents: prehearing briefs, oral hearing statements, posthearing briefs, and other written submissions.

(1) *Prehearing briefs* refers to written materials relevant to the investigation and submitted in advance of the hearing, and includes written views on matters that are the subject of the investigation, supporting materials, and any other written materials that you consider will help the Commission in understanding your views. You should file a prehearing brief particularly if you plan to testify at the hearing on behalf of an industry group, company, or other organization,

and wish to provide detailed views or information that will support or supplement your testimony.

(2) *Oral hearing statements (testimony)* refers to the actual oral statement that you intend to present at the public hearing. Do not include any confidential business information in that statement. If you plan to testify, you must file a copy of your oral statement by the date specified in this notice. This statement will allow Commissioners to understand your position in advance of the hearing and will also assist the court reporter in preparing an accurate transcript of the hearing (e.g., names spelled correctly).

(3) *Posthearing briefs* refers to submissions filed after the hearing by persons who appeared at the hearing. Such briefs: (a) should be limited to matters that arose during the hearing, (b) should respond to any Commissioner and staff questions addressed to you at the hearing, (c) should clarify, amplify, or correct any statements you made at the hearing, and (d) may, at your option, address or rebut statements made by other participants in the hearing.

(4) *Other written submissions* refer to any other written submissions that interested persons wish to make, regardless of whether they appeared at the hearing, and may include new information or updates of information previously provided.

In accordance with the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8) the document must identify on its cover (1) the type of document filed (i.e., prehearing brief, oral statement of (name), posthearing brief, or written submission), (2) the name of the person or organization filing it, and (3) whether it contains confidential business information (CBI). If it contains CBI, it must comply with the marking and other requirements set out below in this notice relating to CBI. Submitters of written documents (other than oral hearing statements) are encouraged to include a short summary of their position or interest at the beginning of the document, and a table of contents when the document addresses multiple issues.

CONFIDENTIAL BUSINESS INFORMATION: Any submissions that contain confidential business information must also conform to the requirements of section 201.6 of the Commission’s Rules of Practice and Procedure (19 CFR 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the “confidential” or “non-confidential” version, and that the confidential business information is clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

As requested by the USTR, the Commission will not include any confidential business information in its report. However, all information, including confidential business information, submitted in this investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel for cybersecurity purposes. The Commission will not otherwise disclose any confidential business information in a way that would reveal the operations of the firm supplying the information.

SUMMARIES OF WRITTEN SUBMISSIONS: Persons wishing to have a summary of their position included in the report that the Commission sends to the USTR should include a summary with their written submission and should mark the summary as having been provided for that purpose. The summary should be clearly marked as “summary for inclusion in the report” at the top of the page. The summary may not exceed 500 words and should not include any confidential business information. The summary will be published as provided if it meets these requirements and is germane to the subject matter of the investigation. The Commission will list the name of the organization furnishing the summary and will include a link to the Commission’s Electronic Document Information System (EDIS) where the full written submission can be found.

Issued: January 26, 2022.

Lisa Barton,

Secretary to the Commission.

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